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NEW SOUTH WALES.

BUSINESS STATISTICS - FEBRUARY, 1945.

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Canberra, Australia.

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PART I PRIMARY AND EXPORT INDUSTRIES.

GENERAL - SEASONAL CONDITIONS.

There was widespread but variable rainfall throughout the State in the third week in February, with substantial falls in the north eastern quarter, on the Tablelands and the Coast. In the Western Division and the Riverina a few isolated substantial falls occurred, but generally drought in these areas remains unrelieved. Intervening hot weather between the January and February rains burnt off much of the spring of grass. Old pastures had been damaged by rain and in general pasturage in inland areas is either lacking or poor, but with the exceptions noted water supplies have been replenished. Late maize and potato crop prospects have improved. Water storage in major reservoirs (Burrinjuk, etc.) is much below normal, limiting reticulation for irrigation purposes.

MEAT. Wholesale Prices for mutton and lamb in Sydney were increased from Feb.

19 and adjusted maximum retail prices for meat cuts of all kinds were fixed to rule in Sydney from Feb. 21, 1945. Increases range from $\frac{1}{2}$ d. to 2d. per lb. according to kind and cut of meat.

WOOL. To February 14, 1945 wool arrived in Sydney was 782,050 bales - a decrease of 122,258 bales compared with the corresponding period of 1943-44. Appraisements to the same date were 693,221 bales and 770,906 bales respectively.

A cabled report states that at the conclusion of a series of 21 auctions of wool from the United States' stock pile of foreign wool 224 m. lbs. of 326 m. lbs. offered had been sold.

WHEAT. An official announcement indicates that farmers not previously registered may obtain permission to sow wheat. No limit is placed on the area which may be sown in 1945.

Provision has now been made for the release of limited quantities of wheat for feeding starving sheep in drought areas in New South Wales where no other feed is available. Wheat is to be made available to priority groups in N.S.W. at the rate of 300,000 bus. a week in March and 275,000 bus. a week in April. Wheat for starving sheep is additional to these quantities.

As a result of January rains farmers were able for a short period to plough land for subsequent sowing. In the northern section of the wheat belt activity suggests a probable increased wheat area in 1945.

DAIRYING INDUSTRY. It is reported that a moderate improvement in butter production is continuing in principle coastal dairy districts. Parts of the Metropolitan and Newcastle milk zone have not derived sufficient benefit from recent rains to even maintain milk supplies and the Milk Board pegged supplies to consumers as from Feb. 17. As from Feb. 22 milk bars, restaurants, etc. receive only 50% and ordinary milk shops 90% of normal supplies.

Australian production of butter and cheese in the five months ended November was 7% and $1\frac{1}{2}$ %, respectively less than last season. In the same period there was a decrease of 13% for butter and 17% for cheese in the output of N.S.W. factories.

BUTTER AND CHEESE PRODUCED - AUSTRALIAN FACTORIES.

Year	Month of November.		Five months ended November.	
	Butter.	Cheese	Butter	Cheese
	Tons	Tons	Tons	Tons
1942	19,832	4,974	72,960	18,703
1943	20,927	5,596	64,839	18,455
1944	15,976	4,858	60,224	18,173

Pay by certain North Coast factories to suppliers of cream in January, 1945 was 13.71d. per lb. of commercial butter plus a subsidy payment of 3.54d., and to this there will be added deferred pay at a rate to be determined when the half-year ends in June. Inclusive of subsidy and deferred pay suppliers to these factories received 17.38d. for cream delivered in November and December, 1944 compared with 18.05d. and 15.55d. per lb. of commercial butter in the corresponding months of 1943 and 1942, respectively. The return per lb. in December, 1944 was 50 per cent. greater than that received in December, 1938. Comparative details are as follow:-

N.S.W. BUTTER - PAY TO CREAM SUPPLIERS BY CERTAIN NORTH COAST FACTORIES.

Pence per lb. of commercial butter.

Season	Monthly Pay			Deferred Pay		Subsidy		Total Pay		
	Nov.	Dec.	Jan.	July-Dec.	Jan-Juno	Apr-Oct.	Nov-Mar.	Nov.	Dec.	Jan.
1938-39	11.50	11.25	12.25	.31	1.06	11.81	11.56	13.31
1942-43	13.25	13.25	13.29	1.44	1.12	(a) .86	.86	15.55	15.55	15.27
1943-44	13.25	13.25	13.50	1.00	1.19	3.80	3.80	18.05	18.05	18.49
1944-45	13.09	13.09	13.71	.75	(b)	5.54	5.54	17.38	17.38	(b)

(a) No subsidy April to June.

(b) Not available.

5.34

PART II FINANCE AND TRADE.

GENERAL. The United Nations Relief and Rehabilitation Administration Far Eastern Conference met at Lapstone (N.S.W.) from Feb. 16 to 20, 1945. UNRRA's Deputy Director for Supplies in the South-west Pacific stated that "Australia's war commitments had been so enormous that there was very little likelihood of her making any effective material contributions to UNRRA" but that wool would be shipped by the Administration from Australia to Europe. The Department of War Organisation of Industry was designated the Australian Government agency for UNRRA's purchases in this country. Fish is the principal food which Australia is likely to be asked to supply. It is also to afford important technical services.

At the World Security Conference to meet in San Francisco in April next Australia is to be represented by "a balanced delegation," including the Deputy Prime Minister and the Minister for External Affairs.

Opening Parliament on February, 21, 1945 H.R.H. the Governor-General forecasted legislation dealing with - *inter alia* - re-establishment of service men and women, the powers and functions of the Commonwealth Bank, control of interstate airlines and enlargement of the activities of the Council for Scientific and Industrial Research.

COMMONWEALTH ACCOUNTS. Total expenditure of the Commonwealth in January, 1945 was £47.2 m. which was £0.6 m. more than in Jan., 1944 and £0.4 m. less than in Dec., 1944.

In the seven months ended Jan., 1945 war (1939) expenditure was £48.6 m. less than in the corresponding period of 1943-44, an increase of £23.4 m. of such expenditure from Revenue being accompanied by a decrease of £72 m. from Loan Fund. Over the seven months War Expenditure net from Revenue constituted about 38 per cent. of the total, compared with about 25 per cent. in July-Jan., 1943-44. Expenditure on ordinary Departmental services was £1m. greater at £68.7 m. for the seven months.

Revenue collections for the seven months were £24.74 m. greater this than last year. From Income Tax £23.14 m. more was received, £0.51 m. more accrued from Customs, £0.32 from Entertainments Tax and £0.24 m. more from Estate Duty. Gross receipts of Post Office were £0.59 m. greater. The only head of revenue showing a significant decrease was Land Tax (£0.76 m. lower).

COMMONWEALTH EXPENDITURE.
(excluding Income Tax re-inbursed to States)
£ millions.

Service.	Month of January.		Seven months ended January.		
	1944.	1945.	1944.	1945.	Increase (+) or Decrease (-)
War (1939) from -					
Revenue	10.5	13.4	79.5	102.9	(+) 23.4
Loan Fund	26.4	23.4	239.1	167.1	(-) 72.0
Total War	36.9	36.8	318.6	270.0	(-) 48.6
Other Revenue Services	9.7	10.4	67.7	68.7	(+) 1.0
Total, All Services	46.6	47.2	386.3	338.7	(-) 47.6

The increase of £14 m. in January, 1945 in Treasury Bills outstanding in Australia on Commonwealth Account was greater than that in Jan., 1944 (+£10 m.) but less than in Dec., 1944 (£20 m.). This source of finance has been drawn upon much less freely this year; between June and Jan. the increase in Treasury bills outstanding was £38 m. compared with increases in the corresponding seven months of £132.2 m. in 1942-43 and £113 m. in 1943-44.

TREASURY BILLS OUTSTANDING IN AUSTRALIA ON COMMONWEALTH ACCOUNT.

Year.	June.	Oct.	Nov.	Dec.	Jan.
1943-44 £ millions	259.3	341.3	341.3	362.3	372.3
1944-45 £ millions	343.3	338.3	347.3	367.3	381.3

N. S. W. STATE ACCOUNTS.

In January, 1945 receipts and payments were each £0.38 m. greater than in January, 1944.

In accordance with arrangements indicated in the Budget speech, providing for redemption of Treasury bills drawn prior to June 30, 1935, accounts for December, 1944 included as receipts to Consolidated Revenue £3,250,000 transferred from business undertakings (Railways £2.5 m. and Sydney Harbour Trust Fund £0.75 m.) Payments by the Treasurer were increased also by the transfer of this amount for redemption of bills as stated. Hence in comparing the accounts of this and the preceding financial year this unusual item should be taken into account, although in the aggregate the regression of £0.45 m. at the end of the seven months fairly represents the progressive results. Of the increased excess of expenditure £0.13 m. was in Consolidated Fund, £0.14 m. in Business Undertakings and £0.18 m. in Main Roads Account.

For the seven months Railways receipts £18.61 m.) were £2 m. less, with expenditure (£14.11 m.) £1.95 m. less this year than in 1943-44, reflecting effects of drought and the coal shortage on operations. On the working of Trams and 'Buses and in Road Transport and Traffic Fund regressions of £33,000 and £125,000 were shown, but accounts for Sydney Harbour disclosed an improvement of £61,000.

NEW SOUTH WALES GOVERNMENT ACCOUNTS.

Seven months ended January.

Accounts.	1944.	1945.	Increase (+) or Decrease (-)	
			£000	£000
Revenue - Consolidated Fund	13,774	17,433	(+)	3,659
Business Undertakings	25,014	23,229	(-)	1,785
Main Roads	1,481	1,391	(-)	90
Total	40,269	42,053	(+)	1,784
Expenditure - Consolidated Fund	21,336	25,123	(+)	3,787
Business Undertakings	19,488	17,843	(-)	1,645
Main Roads	1,457	1,549	(+)	92
Total	42,281	44,515	(+)	2,234
Excess of Expenditure	2,012	2,462	(+)	450

ø Railways, Trams and 'Buses, Road Transport and Traffic Fund, and Sydney Harbour.

INTEREST RATES. With wartime financial controls operative the margins for variations in interest rates (apart from those made arbitrarily) are circumscribed. Latest variation announced is the reduction, as from March 1, 1945, in the discount rate for Treasury bills from $1\frac{1}{2}\%$ to 1% (the current rate having ruled since November, 1943) matching that ruling in the United Kingdom.

The appended table illustrates the course of interest rates in New South Wales over the war period. With fixed minimum prices for Government bonds interest yields on these have been static since 1942. The average rates of interest charged on private first mortgages (newly registered) have inclined to the general downward trend, but the movement toward cheaper money has been apparent mainly in

deposit and Treasury bill rates, which have been reduced to levels tending to encourage the placing of funds in Government securities rather than on deposit with the banks.

INTEREST RATES - NEW SOUTH WALES.

Period.	Deposit Rates				Treasury Bill Discount Rate. (b)	Yield on C'wealth Securities. (a)		Private First Mortgages.		
	Trading Banks		Savings Bank			2 yrs.	12 yrs.	Urban	Rural	
	Three Months	24 Months	First £500.	Second £500.		%	%	%	%	
1939 (Av)	2.00	3.00	2.00	1.75	1.75	...	3.92	5.6	5.2	
1942 "	1.30	2.05	2.00	1.56	1.50	2.45	3.24	5.4	4.9	
1943 "	1.25	2.00	2.00	1.50	1.46	2.48	3.23	5.0	4.7	
1944 "	.79	1.90	2.00	1.42	1.25	2.48	3.24	5.0	4.4	
1944-June	1.00	2.00	2.00	1.50	1.25	2.44	3.24	5.0	4.4	
Dec.	.50	1.75	2.00	1.25	1.25	2.49	3.24	5.0	4.5	
1945-Jan.	.50	1.75	2.00	1.25	1.25	2.48	3.24	4.9	4.4	

(a) Taxed at Current rates of tax. (p) Average 3 months ended in Month shown.
(b) To be 1% from 1.3.45.

TRADING BANKS. Between November and December, 1944 average deposits in nine trading banks increased by £15.7 m. compared with an increase Nov. to Dec. 1943 of £14.8 m. and advances declined £6 m. (compared with £5.2 m. in 1943). Cash items and Treasury bills held increased £8 m., Government securities, £4.4 m. and Special Wartime Deposits with C'wealth Bank by £6.4 m. compared with increases of £9.7 m., £0.8 m. and £6.5 m. in Nov. to Dec., 1943.

A marked growth in deposits and a material reduction in advances during the war years is indicative of increased financial independence of banks' customers. Over the $5\frac{1}{2}$ years ended December, 1944 deposits increased by £253.1 m. (of which increase £229.8 m. was in current accounts) including £74 m. added in the last twelve months, while advances were reduced by £87.7 m. (£24.7 m. since Dec., 1943).

It would appear that there are very substantial resources of liquid capital available to finance requirements of post war rehabilitation of private enterprise, whilst the low ratio of advances to deposits (36% in December, 1944 compared with 91.7% in June, 1939) indicates that the trading banks are well placed to accommodate customers who because of the war may not have shared in the accumulation of liquid capital.

NINE TRADING BANKS - AUSTRALIA.

Liabilities and Assets within Australia.
£ million.

of ekly gures	Deposits.		Total	Coin, Notes, etc. & Cash at C'wealth Bank.	Treas- ury Bills	Govt. & Municipal Securit- ies.	Special Wartime Deposits with C'wealth Bank.	Advances, Discounts, etc.
	Bearing Interest (Fixed)	Not Bearing Interest (Current)						
39-June	200.9	117.1	318.0	28.6	23.9	22.1	-	291.7
42 "	192.0	195.9	387.9	40.4	39.6	56.3	36.4	268.3
43 "	197.4	256.1	453.5	33.4	50.8	75.7	102.9	246.0
44 "	219.9	314.6	534.5	38.0	55.4	89.1	182.8	221.8
43-Sep.	205.9	265.7	471.6	39.0	58.8	77.6	111.1	241.6
Oct.	207.2	270.4	477.6	37.0	59.7	78.1	119.1	239.8
Nov.	207.8	274.5	482.3	39.2	60.0	79.1	124.1	235.9
Dec.	209.9	287.2	497.1	44.0	64.9	79.9	130.6	230.7
944-Sep.	221.4	321.2	542.6	37.7	57.6	100.0	183.1	215.0
Oct.	222.1	329.6	551.7	38.4	62.4	101.4	185.3	216.3
Nov.	223.9	331.5	555.4	36.9	62.0	104.8	191.0	212.0
Dec.	224.2	346.9	571.1	41.3	65.6	109.2	197.4	206.0

STOCK EXCHANGE. A further upward adjustment of ceiling prices of shares was approved by the Commonwealth Treasurer to operate as from 7th Feb., 1945. About 50 shares were affected by the permissible increase of 10 per cent. or 10s. whichever the less. The Sydney Stock Exchange Index of value of ordinary industrial shares rose from 143.14 on Feb. 6 to 143.65 on Feb. 20. There are few sellers in the market.

A new capital issue of £200,000 (Ready Mixed Concrete, Ltd.) on Feb. 19, 1945 was oversubscribed.

The Statistician's Index Numbers for January, 1945 showed only slight changes, with small decimal increases in each group, compared with those for December, 1944. The Index numbers for all companies, and for shares in manufacturing and in retail companies are at record levels, and for all other groups are as high as, if not higher than at the outbreak of war.

INDEX OF SHARE PRICES - SYDNEY.
Prices of Ordinary Shares (excl. Bank). Par value = 100.
(Compiled by N.S.W. Govt. Statistician.)

Average for Month -	Manufacturing and Distributing	Retail	Public Utilities	Pastoral and Finance	Insurance	Total 75 Companies	34 Active Shares
1937-Mar.	214	204	181	169	281	190	201
1939-Aug.	213	168	156	118	264	174	182
1941-Sept.	228	177	142	128	253	175	191
1942-Apr.	176	139	118	112	212	141	150
1943-Dec.	237	194	148	135	254	185	200
1944-Jan.	237	194	148	135	254	185	200
June	237	194	150	139	254	186	201
Dec.	240	203	162	146	264	193	207
1945-June	241	204	163	146	264	193	207

INTER-BANK CLEARINGS. The index number of clearings between banks in Sydney for January, 1945 was 152 - the same as for December, 1944 - compared with 150 for January, 1944.

Reference to index numbers (given below) indicates that recently clearings have increased much less rapidly than in previous years. Comparability with pre-war figures is affected by price changes, and probably, in appreciable degree, by the great expansion of Government purchases which may mean the appearance into clearings of a larger proportion of the total of cheques drawn.

INTER-BANK CLEARINGS - SYDNEY.

Period	Amount of Clearings. £				Index +			
	1938	1942	1943	1944	1938	1942	1943	1944
Year	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
Year	942.4	1248.5	1442.3	1499.6	101	131	151	156
November	82.7	105.0	129.3	126.3	102	135	149	153
December	88.1	121.6	127.3	127.6	102	136	150	152
January, [■]	66.5	106.7	107.5	114.2	98	136	150	152

£ Treasury bill transactions deducted. + Three months moving average; base - average in corresponding month 1926-30 = 100.

■ Following year.

REAL ESTATE. In January, 1945 compared with Jan., 1944 transfers of real estate registered increased by £696,000 (or 64%) and mortgages registered increased by £225,000 (or 59%).

These increases conformed to the trend of recent months - in the seven months ended January the recorded value of transfers was 24 per cent., and of mortgage was 30 per cent. greater this than last year. Business is restricted by wartime controls and agents report demand far in excess of the property offering for sale.

REAL ESTATE TRANSACTIONS, N.S.W.

Thousand £

Month.	Transfers Registered				Mortgages (Incl. Renewals).			
	1939-40	1942-43	1943-44	1944-45	1939-40	1942-43	1943-44	1944-45
July	2,919	1,540	1,783	1,992	1,950	622	399	542
Aug.	3,068	1,671	1,379	2,241	2,770	451	450	723
Sept.	2,934	1,616	1,551	1,772	1,501	516	432	597
Oct.	2,331	1,514	1,549	1,654	1,713	423	618	634
Nov.	2,381	1,942	1,558	1,899	1,702	530	558	529
Dec.	2,067	1,260	1,592	1,708	1,544	562	494	699
Jan.	1,884	1,226	1,090	1,786	1,480	595	383	608
7 Mths (b)	17,584	10,769	10,502	13,052	12,460	3,699	3,334	4,332

PART III INDUSTRY, TRANSPORT, ETC.

TRANSPORT.

Government Trans and 'Buses. More passengers were carried and both gross earnings and working expenses were greater in December, 1944 than in December of any earlier year, but the working surplus (before meeting depreciation, interest, etc.) was lowest for the month of any wartime year.

As the result of increases in passenger journeys and gross earnings of 18.3 million and £74,000, while working expenses rose only £37,000, net earnings (before meeting depreciation, etc.) at £281,000 in July-Dec., 1944 were £37,000 greater than in the half year ended Dec., 1943. In comparison with July-Dec., 1939 there were increases in passenger journeys of 47.8%, in gross earnings of 32.5% and in working expenses of 40.3%, but net earnings (before charging depreciation, etc.) were £41,000 lower.

N.S.W. GOVERNMENT TRAMS AND 'BUSES - SYDNEY AND NEWCASTLE.

Year	Month of December.				Six months ended December.			
	Passenger Journeys	Gross Earnings	Working Expenses x	Net Earnings ♂	Passenger Journeys.	Gross Earnings	Working Expenses x	Net Earnings ♂
	millions	£000	£000	£000	millions	£000	£000	£000
1939	33.0	391	323	68	135.1	2,189	1,867	322
1941	42.8	484	421	63	238.8	2,693	2,252	441
1942	42.9	479	404	75	244.3	2,762	2,421	341
1943	44.6	495	438	57	255.3	2,827	2,583	244
1944	47.0	502	455	47	273.6	2,901	2,620	281

x Excluding Depreciation. ♂ Gross earnings less working expenses available to pay interest, depreciation, etc. on loan debt.